Utilisation of surcharge

2919. SHRI EKANATH K.THAKUR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that last year Government levied a five per cent surcharge and collected Rs. 4,253 crores in the name of national security but all this money was utilised bridging the fiscal deficit due to drought relief: and

(b) if not, whether Government propose to utilise this money for the purpose of national security?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) An Amount of Rs. 4,253 Crores is budgeted as receipts under Surcharge for Financial Year 2002-2003. The amount of actual collection is not ascertainable as the final accounts of the Union Government have not yet been drawn. The amount collected under the Head 'Surcharge forms part of the Consolidated Fund of India and is spent as per the Demands for Grant of various Ministries with the approval of the Parliament. The funds allocated for Defence through Demand for Grants are more than the amount budgeted through levy of 5 per cent Surcharge.

Sponsoring of racing event

2920. SHRI SUKHDEV SINGH LIBRA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that some of the major liquor producers sponsored Formula One Racing Sport held in London in violation of FERA at a huge cost;

(b) if so, what are the details therte of and the action taken in this regard; and

(c) whether it is a fact that one of the liquor producers had forged official documents; if so, the action taken in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) Pursuant to receipt of information that during the year 1995 M/s UB Ltd. based at Bangalore, had entered into an agreement to sponsor Formula One Racing Sport in

London and the said Sponsorship carried out in 1996 involved foreign exchange to the tune of U.S. $ 3 million without the approval of RBI, investigations were carried out under the provisions of FERA. After issue of Show Cause Notice, adjudication proceedings were initiated. The Adjudicating Authority dropped the proceedings *vide* its order dated 10.1.2002. However, Review Petition has been filed before the Appellate Tribunal for Foreign Exchange against the order of the Adjudicating Authority.

(c) A case was registered by the Delhi Police on the complaint of the Directorate of Enforcement wherein it was stated that U.B. Bevrages submitted an intimation for sponsoring the event, referred to in the Question. The intimation was rejected by the Directorate of Enforcement on the ground that it was received after the date of event. In response M/s U.B. Beverages Ltd., took the plea that they have earlier submitted the intimation in time and produced the receipt of their intimation. The Directorate alleged that the signature and the stamp of Department of Economic Affairs of the Ministry of Finance affixed on the said letter were forged. During investigation, sufficient evidence could not come on record to effect the arrest and as such the case was filed by the Police as untraced, in the Court of M.M. Patiala House, New Delhi where the next date of hearing is fixed as 9.10.2003 on the report filed by Police.

Fiscal reform pogramme for States

2921. SHRI MURLI DEORA: Will the Minister of FINANCE be pleased to state:

(a) whether the 11th Finance Commission had. recommended a monitorable fiscal reform programme for all the States;

(b) if so, the States which have adopted this programme;

(c) what incentive has been given to such States during the last three years, year-wise; and

(d) how far the fiscal deficit has been controlled as a result thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) Yes, Sir.